

## Message Text

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ORIGIN EB-07

INFO OCT-01 EA-07 ISO-00 FMC-01 STR-04 COME-00 CIAE-00

DODE-00 DOTE-00 INR-07 NSAE-00 SAL-01 CG-00 DLOS-04

OES-06 L-03 /041 R

DRAFTED BY EP/TT/MA:JPSTEINMETZ:BST

APPROVED BY EB/TT/MA:RKBANK

FMC:RSHREVES

EA/PHL:RT;ILLNER

EB/TT/AN:TROESH (SUBS)

MARAD:RBOURDON (INFO)

STR:SCOFFIELD (INFO)

EP/STA:WCLARK (INFO)

----- 127419

R 091117Z APR 76

FM SECSTATE WASHDC

TO AMEMBASSY MANILA

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E.O11652: N/A

TAGS: EWWT, PH, US

SUBJECT:SHIPPING: GOP PREFERENCE DECREE

REF: MANILA 4659

1. REPORTED CONSULTATIONS BETWEEN DEPT AND EUROPEANS/  
JAPANESE ON PD 894, AS IT PERTAINS TO MARITIME SHIPPING  
ONLY, RPT ONLY, HAS BEEN CONFINED TO DATE TO T O EN-  
COUNTERS -- ONE TELEPHONIC AND THE OTHER SOCIAL -- 'ITH  
A REP (BRITISH) OF LOCAL 'COTTON CLUB", CONSISTING OF  
JAPANESE AND CERTAIN EUROPEAN SHIPPING ATTACHES. TELE-  
PHONICALLY, THE REP WAS INFORMED THAT PD 894 APPEARED  
TO, INTER ALIA, MIRROR SEVERAL U.S. SHIPPING PREFERENCE  
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PRACTICES; AND WHILE APPARENTLY THE DECREE IS VERY BROAD

IN SCOPE OF APPLICATION, THE EXTENT AND EFFECT THEREOF  
ERE YET TO BE DETERMINED. UNDER THESE CIRCUMSTANCES,  
IT MIGHT BE DIFFICULT FOR THE USG TO JOI4 IN A COMMON  
APPROACH ON THE DECREE AS IT AFFECTS SHIPPING AT THIS  
TIME. COTTON CLUB REP, HOEVER, WAS REQUESTED TO CHECK  
BACK WITH THE DEPT THE FOLLOWING WEEK FOR A MORE  
DEFINITIVE VIEW ON THE MATTER. AT S;BSEQUENT SOCIAL  
ENCOUNTER, HE WAS INFORMED THAT DEPTOFFS WOULD BE  
AVAILABLE TO DISCUSS DECREE AND EXPLORE POSSIBLE COURSES  
OF COMMON ACTION WITH THE COTTON CLUB MEMBERS.  
NO FURTHER ORD HAS OEEEN FORTHCOMTNG FROM THE GROU.,.

2. IMMEDIATE PROBLEM THAT PD 894 PRESENTS FOR USG IS  
THAT WE ARE FORCED TO PLAY ITH TWO DECKS OF CARDS RE  
ANY COUNTERING OF THIS LATEST GOP EFFORT, SINCE USG  
MARITIME AND AIR POLICIES ARE PASED ON SEPARATE AND DIS-  
TINCT REGIMES NECESSITATING DIFFERENT RESPONSES. EMBASSY  
IS REQUESTED TO BEAR THIS IN MIND RE FUTURE REPORTING  
AND 'HENEVER POSSI,LE ATTEMPT TO DIFFERENTIATE BETWEEN  
THE CIVAIR AND SHIPPING ASPECTS OF THE MATTER WHEN SLOT-  
TING CABLES. AVIATION ASPECTS OF ISSUE BEING TREATED  
SEPTEL.

3. REPRESENTATIONS, EITHER INDIVIDUALLY OR IN CONCERT  
WITH OTHERS, ON PD 894 ON THE MARITIME ASPECTS OF THE  
PROBLEM WOULD BE MEANINGLESS WITHOUT LEVERAGE (THREAT  
OF SECTION 19, ETC). WE ARE AWARE THE DECREE HAS BROAD  
ADVERSE IMPLICATIONS. HOWEVER, THE ACTUAL EXTENT THERE-  
OF IS YET TO BE DETERMINED AND CAN ONLY BE EVALUATED  
UPON APPLICATION. THE PREVIOUS PD 667 PROBLEM DIFFERED  
IN THAT THE EFFECTS THEREOF WERE PRACTICALLY IMMEDIATE  
UPON PUBLICATION OF THE DECREE AS PHILIPPIN SHIPPERS.  
ACTED EXPEDITIOUSLY TO SHIP ON NATIONAL LINES TO GAIN  
FUTURE TAX BENEFITS.

4. UNTIL WE HAVE A CLEARER PICTURE OF ACTUAL IMPACT  
OF PD 894 ON OUR MARITIME COMMERCE AND U.S.-FLAG LINES,  
'E ARE NOT IN A POSITION TO MOVE FOR'ARD ON THE  
REPRESENTATIONAL FRONT. OUR FLAG LINES IN THE TRADES  
ASWELL AS THE AMERICAN INSTITUTE OF MERCHANT SHIPPING  
HAVE BEEN REQUESTED TO KEEP THE INTERESTED WASHINGTON  
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AGENCIES APPRISED OF ANY DIFFICULTIES ENCOUNTERED AS  
A RESULT OF THE DECREE. EMPASSY IS REQUESTED TO CONTINUE  
TO MONITOR DEVELOPMENTS LOCALLY. DEPARTMENT WILL  
KEEP YOU INFORMED OF ANY SUPSEQUENT REPRESENTATIONS  
FROM INDUSTRY OR OTHER GOVERNMENTS. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CIVIL AVIATION, MARINE TRANSPORTATION, LAW, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 09 APR 1976  
**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
**Disposition Authority:** izenbei0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Drafter:** JPSTEINMETZ:BST  
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**From:** STATE  
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**TAGS:** EWWWT, RP, US  
**To:** MANILA  
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